

AUG 25 2000

ENROLLED ORIGINAL

AN ACT

D.C. ACT 13-389

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JULY 26, 2000*Codification  
District of  
Columbia  
Code  
2001 Supp.*

To amend the Drug Abuse, Alcohol Abuse, and Mental Illness Insurance Coverage Act of 1986 to comply with the mental parity mandates under federal law.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Drug Abuse, Alcohol Abuse, and Mental Illness Insurance Coverage Amendment Act of 2000".

Sec. 2. The Drug Abuse, Alcohol Abuse, and Mental Illness Insurance Coverage Act of 1986 is amended as follows:

(a) Section 2 is amended by adding new paragraphs (8A), (10A), (10B), (11A), (12A), (19A), and (19B) to read as follows:

"(8A) "Individual market" means the market for health insurance coverage offered to individuals other than in connection with a group health plan.";

"(10A) "Large employer" means, in connection with a group health plan with respect to a calendar year and a plan year, an employer who employed an average of at least 51 employees on business days during the preceding calendar year and which employs at least 2 employees on the first day of the plan year.";

"(10B) "Large group market" means the health insurance market under which individuals obtain health insurance coverage (directly or through any arrangement) on behalf of themselves and their dependents through a group health plan maintained by a large employer.";

"(11A) "Medical or surgical benefits" means benefits with respect to medical or surgical services as defined under the terms of the plan or coverage, but does not include mental health benefits.";

"(12A) "Mental health benefits" means benefits with respect to mental health services, as defined under the terms of the plan or coverage, but does not include benefits with respect to treatment of substance abuse or chemical dependency.";

"(19A) "Small employer" means an employer who employed an average of at least 2 but not more than 50 employees on business days during the preceding calendar year

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and who employs at least 2 employees on the first day of the plan year. However, if the employer was not in existence throughout the preceding calendar year, the determination of whether the employer is a small employer shall be based on the average number of employees that the employer reasonably expects to employ on business days in the current calendar year."; and

"(19B) "Small group market" means the health insurance market under which individuals obtain health insurance coverage (directly or through any arrangement) on behalf of themselves and their dependents through a group health plan maintained by a small employer.".

(b) Section 3 is amended by adding a new subsection (i) to read as follows:

"(i) If a large group health plan offers a participant or beneficiary 2 or more benefit package options under the plan, the requirements of this act shall be applied separately to each option.".

(c) Section 6 is amended to read as follows:

"Sec. 6. Exemptions.

"(a) Methods of determining levels of payment or reimbursement for services, or for the type of facility charge eligible for payment or reimbursement under this act, and shall be consistent with those for physical illnesses in general and shall take into consideration usual, customary, and reasonable charges for those services. Except as otherwise provided in section 5, deductible or copayment plans, and limits on total amounts payable to an individual in a calendar year or lifetime payment limits, may be applied; provided, that the inpatient and outpatient benefits set forth in section 5 shall be provided for health plans issued in the individual market and small group market with a lifetime payment limit of not less than \$80,000 or 1/3 of the lifetime maximum for physical illness, whichever is greater; provided further, that for health plans issued in the large group market, the inpatient and outpatient benefits set forth in section 5 shall be applied with the same lifetime and annual limits for medical, surgical, and mental benefits.

"(b) If the cost of complying with the mental health benefits provisions of subsection (a) of this section for large group markets result in at least a 1% increase in the cost of the plan, the group health plan (or health insurance offered in connection with a group health plan) shall be exempt from complying with those mental health benefits parity provisions.

"(c) If a group health plan is exempt from complying with the mental health benefits parity provisions under subsection (b) of this section, it shall comply with the individual and small group market requirements.

"(d) Nothing in this section shall be construed as requiring health maintenance organizations to provide a greater level of covered benefits than the level required of insurers.

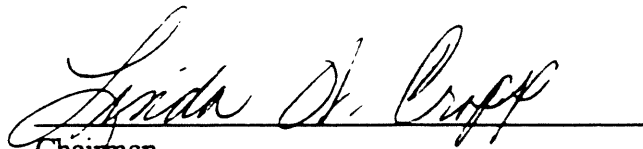
"(e) The mental parity provisions in this section shall not apply to benefits for services furnished after September 29, 2001, unless these provisions are re-enacted.".

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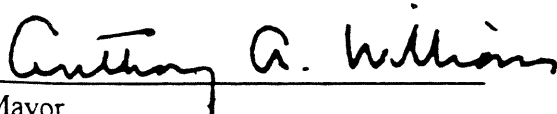
Sec. 3. The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(3)).

Sec. 4. This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), approval by the Financial Responsibility and Management Assistance Authority as provided in section 203(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 116; D.C. Code § 47-392.3(a)), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(1)), and publication in the District of Columbia Register.



Chairman

Council of the District of Columbia



Mayor

District of Columbia

APPROVED: July 26, 2000